

Erie County Department of Mental Health

Guidelines for the Use and Cost Allocation of Administrative Dollars for HUD Shelter Plus Care Grants

Date Issued: January 15, 2004

Shelter Plus Care Administrative Costs:

Percentage: up to 8% of the HUD funding may be used for certain HUD approved administrative costs.

When completing claims, the 8% limit should be applied to the actual amount expended during the contract period.

Underexpended funds and administrative costs: Many programs expend less than the full grant amount for rental assistance because rents may be lower and/or the participant contribution may vary. When rental assistance is not fully expended an agency must insure there is sufficient documentation to support the full expenditure of administrative funds based on 8% of the total HUD funding.

Overexpended funds and administrative costs: Should a provider overexpend the original rental assistance amount such that less than 8% remains for administrative costs, the provider must find other resources to cover such costs.

Allowable Costs:

HUD funding may be used up to the limit stated above for the following administrative activities:

- a. Receiving new participants into the program
- b. Providing housing information and search assistance
- c. Determining participant income and rent contributions
- d. Inspecting units for compliance with Housing Quality Standards
- e. Processing rental payments to landlords

HUD funding may not be used for the following types of administrative activities:

- a. Costs of administering the grant
- b. Costs of preparing reports to HUD
- c. Costs associated with conducting audits of the grant

Grant Savings:

A provider may not fully expend the entire amount of rental assistance within a grant and this savings may be used for:

- a. Administrative costs as described above (up to the 8% limit)
- b. Repair damage to the units up to one months rent
- c. Cover rent increases up to locally determined reasonable rents
- d. Serve a greater number of participants

Note: none of these uses requires HUD pre-approval but notification should be made to the ECDMH.

ECDMH Matching Dollars: a portion of the ECDMH matching dollars provided for supportive services may be used for additional administrative costs other than or including those described above. This percentage should be determined through the ECDMH contract manager.

Please note that any ECDMH funds expended for administrative costs do not count toward the supportive services match. An agency must be able to demonstrate the ability to meet the 100% HUD match requirement with services from other sources.

Erie County Department of Mental Health

Guidelines for the Use and Cost Allocation of Administrative Dollars for HUD Supportive Housing Grants

Date Issued: January 22, 2004

Supportive Housing Programs:

Percentage: up to 5% of the HUD funding may be used for certain HUD approved administrative costs.

When completing claims, the 5% limit should be applied to the actual amount expended during the contract period.

Underexpended funds and administrative costs: Many programs expend less than the full grant amount for rental assistance because rents may be lower and/or the participant contribution may vary. When rental assistance is not fully expended an agency must insure there is sufficient documentation to support the full expenditure of administrative funds based on 5% of the total HUD funding.

Overexpended funds and administrative costs: Should a provider overexpend the original rental assistance amount such that less than 5% remains for administrative costs, the provider must find other resources to cover such costs.

Allowable Costs:

HUD funding **may be** used up to the limit stated above for the following administrative activities:

- a. Preparation of Annual Progress Report (APR)
- b. Audit of supportive housing programs
- c. Staff time spent reviewing/verifying invoices for grant funds, drawing money from treasury and maintaining records of the use of the those funds
- d. Field office training on managing the grant

HUD funding **may not** be used for the following types of administrative activities:

- a. Preparation of the application/technical submission
- b. Conferences, fund raising activities, and training in professional fields (such as social work or financial management)
- c. Salary of the organization's executive director (except to the extent he/she is involved in carrying out eligible administrative functions as shown under eligible costs above)
- d. Costs of carrying out acquisition, rehabilitation, new construction, leasing, supportive services or operating costs

ECDMH Administrative Funding: In most cases, ECDMH is providing the required cash match of 20% of the supportive services budget and 25% of the operations budget. Use of these dollars for administrative costs would reduce the amount available to provide the cash match in the identified budget lines.

Therefore, the ECDMH will provide an additional 8% of the matching dollars to offset any administrative expenses not covered by HUD funding. This funding will be provided during funding year 2003, 2004 and thereafter contingent upon future State Aid allocations under **funding code 140S using program code 2820, Client Service Dollars** (OMH-Non ICM/SCM/ACT Service Dollars). Units of Service for this program code are not applicable for the purposes of the budget and the Attachment D.

Implementation of Program Code 2820: This funding **is not** eligible for administrative costs and therefore must be appropriated to the supportive service portion of the SHP budget. Thus, an equivalent amount of ECDMH reinvestment funding can then be shifted to cover the administrative costs not covered by HUD funding.

These dollars may be used for any service that addresses a recipient's basic need and assists them in living in the community. By definition then this funding is eligible to cover such expenses as:

Food, security deposits, lodging, respite, clothing, utility payments, medical care, transportation, crisis specialist, educational services, vocational services, leisure time activities.

Note that the use of these dollars must be noted in and consistent with the Individual Service Plan.